

23 August 1976

MEMORANDUM FOR: Inspector General  
General Counsel  
Deputy Director for Intelligence  
Deputy Director for Administration

FROM: [REDACTED] Deputy Legislative Counsel

SUBJECT: CIA Relationship with GAO

1. As the addressees are aware, Chairman Daniel Inouye, Senate Select Committee on Intelligence, requested of Mr. Knoche during his Confirmation hearings that "CIA and its appropriate officers get together with GAO and come up with suggested guidelines" for reinstituting a GAO audit of CIA expenditures.

2. During the consideration of the predecessor of S. Res. 400 in a meeting between congressional and Agency staffers, the general question of GAO audit was raised and a counterproposal was made that the Select Committee either engage their own auditors or obtain them on detail from GAO.

3. There appears to be sufficient latitude in Chairman Inouye's question for us to test the water on the willingness of the Senate Select Committee on Intelligence to carry out this function directly under the Select Committee's jurisdiction.

4. As the "audit" may involve not only the area of fiscal compliance but program reviews and efficiency studies as well, it is recommended that a team composed of representatives of the Comptroller's office, Finance and the Audit Staff, and chaired by the Inspector General, put together a talking paper to be used with Bill Miller to determine the feasibility of the suggestion referred to in paragraph three above.

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[REDACTED]  
Deputy Legislative Counsel

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